

Prospective Vendors' Frequently Asked Question (FAQ)

Q. How does a company become an ESI BPA holder or team up with an existing BPA holder?

Under ESI, the DoD leverages its aggregate buying power to establish enterprise agreements with information technology (IT) manufacturers and resellers for high demand, commercial off-the-shelf IT products and services. The ESI does not determine requirements for specific software products and services. Rather, it provides a service to the customer (program office, etc.) after they selected the most appropriate solution based on functionality, architecture, technical requirements, etc.

The process of becoming a vendor under the ESI program can be initiated by either the customer or the vendor. Either party may propose establishing an enterprise agreement. Vendor motivations are numerous and include a desire to consolidate existing agreements or group product and service offerings into more marketable packages.

To work effectively, ESI takes the time to understand the vendor's business model and to provide education regarding the ESI process. The DoD is motivated to create a strategic vendor relationship and uses the following general criteria for establishing enterprise agreements:

- The vendor provides DoD with improved terms, conditions and prices over those available under GSA schedule and similar contracts.
- There is sufficient demand for the product(s) and demand can be forecast with a relative degree of confidence. We also consider the product's existing usage or install base. The install base includes all DoD users, the U.S. Coast Guard, the Intelligence Community, and authorized Defense Contractors.
- Products are available under a GSA schedule. While this is not a firm requirement, it is desired for a streamlined acquisition process. ESI's preferred approach is to place a blanket purchase agreement (BPA) against a vendor's GSA schedule.
- The vendor agrees to our standard terms and conditions. This includes providing monthly sales and activity reports, attending semiannual program reviews, actively marketing the agreement, granting the right to deploy and reuse the license, home use, etc. (BPA samples may be downloaded from the ESI website to see examples of our terms and conditions.)
- Necessary fees are included in the product's prices and are collected and paid by the vendor on a regular basis. These fees are currently a .75% GSA industrial funding fee (IFF) and a 2% administrative, contracting and technical (ACT) fee.
- Products are compliant with appropriate standards including the DoD Joint Technical Architecture and Section 508 of the Rehabilitation Act related to accessibility by disabled persons.

In summary, there must be a business case established to justify the cost of awarding and maintaining an enterprise agreement. Generally, these are not

mandatory contract vehicles; however, customers must follow the process described in the Defense Federal Acquisition Regulation Part 208.74, the DoD policy on SmartBUY, and any Defense Component unique policies. In addition, if the DoD ESI has Co-branded an Enterprise Software Agreement under the SmartBUY program, a specific Federal-wide policy on use will be issued. In all cases, the success of the agreement depends on most favorable pricing and high demand for the products and services.

Vendors interested in initiating this process with the DoD ESI may contact the DoD ESI Working Group Co-Chairs or any of the other DoD ESI Working Group members listed at <http://www.esi.mil/members.asp?iContentTypeID=11>.